

## **BOARD MEETING MINUTES OCTOBER 21, 2010**

### **MEMBERS PRESENT**

DARRICK O. ROSS, CHAIRMAN  
LYLE M. BLANCHARD  
BARBARA DAVIS BLUM  
JOSEPH M. BRESS  
DIANA K. BULGER  
JOSEPH W. CLARK  
DEBORAH HENSLEY  
EDWARD C. SMITH  
GEORGE E. SUTER  
THOMAS N. TIPPETT  
MICHAEL J. WARREN

### **DCRB STAFF PRESENT**

ERIC STANCHFIELD, EXECUTIVE DIRECTOR  
ERIE SAMPSON, GENERAL COUNSEL  
SHEILA MORGAN-JOHNSON  
JOAN PASSERINO  
THOMAS ANDERSON  
DANIEL HERNANDEZ  
LESLIE KING  
SUE SCRAPPER\*  
PETER DEWAR  
DONNIE BRYANT  
SUSAN WASHINGTON\*  
DEBORAH REAVES  
KATIE SCHULTZ  
BONNIE RIVERS

### **MEMBERS NOT PRESENT**

JUDITH C. MARCUS  
LASANA MACK, EX-OFFICIO

### **OTHERS PRESENT**

BRENDA MATHIS, OCFO  
TOM MURRAY, FORMER TRUSTEE

\*NOT PRESENT AT ROLL CALL

### **ROLL CALL**

Chairman Ross called the meeting to order at 12:40 p.m. Ms. Deborah Reaves called the roll.

### **APPROVAL OF MINUTES**

Chairman Ross made the following motion, which was seconded by Mr. Warren:

**Motion #1:** To approve the September 16, 2010, Board meeting minutes, with amendments to the vote tally on Motion #5. The motion was approved 11-0 by a voice vote.

### **INVESTMENT COMMITTEE REPORT**

The Investment Committee Chair, Ms. Blum, made the following motions, which were seconded by Mr. Tippett:

**Motion #2:** To replace an investment manager with a passive strategy. The motion was approved 11-0 by a voice vote.

**Motion #3:** To accept as the Fund's rebalancing policy the following:

- 1) To maintain an automatic rebalancing approach, except to allow the CIO, in consultation with the Investment Consultant, to override the automatic rebalancing when cash flows are anticipated. In addition, to allow the Board discretion over the rebalancing in the event that the CIO cites unusual circumstances that call for an alternative course of action;
- 2) To maintain a quarterly rebalancing approach to ensure that the Fund's risk profile is closely monitored and reported to the Board;
- 3) To utilize an approach which requires rebalancing to the end point of the target range, but to increase flexibility to allow rebalancing within target ranges;
- 4) To authorize the Board to rebalance decisions outside of the target ranges, while allowing the CIO to rebalance within the target ranges.

The motion was approved 11-0 by a voice vote.

### **OPERATIONS COMMITTEE REPORT**

The Operations Committee Chair, Mr. Clark, updated the Board on the following activities:

- Quarterly Financial Statement as of September 30, 2010;
- Audit by Clifton Gunderson;
- Active Police Officer Election;
- Employee Training RFP;
- RFP release for Consulting Assistance in the Acquisition of a Pension Information System;
- Fiduciary Liability Insurance.

### **BENEFITS COMMITTEE REPORT**

Mr. Suter, Benefits Committee Chair, highlighted the following items:

- Systems Acquisition Project;
- Data Reclamation Project;
- Core Business Planning Project.

### **LEGISLATIVE COMMITTEE REPORT**

The Legislative Committee Chair, Mr. Blanchard, updated the Board on the following legislation:

- B18-1000, "Public Safety Retirement Limit Amendment Act of 2010": The proposed legislation would amend the Police Officers and Firefighters' Retirement Plan to provide that a member's retirement benefit cannot exceed the greater of 80% of the member's average pay or 80% of the member's final pay at retirement.

## **EXECUTIVE DIRECTOR REPORT**

Mr. Stanchfield provided updates on the following:

- U.S. Treasury Relationship;
- Recent study released by a Northwestern University Professor stating that instead of the 8% average assumed rate used by most systems, retirement systems should use the bond rating, which is 2.7%;
- DCRB November Newsletter;
- New Financial System;
- DCRB Budget;
- Telephone System Upgrade;
- Recruitment Efforts;
- Employee Training.

## **OTHER BUSINESS**

Trustees discussed the media's examination of public retirement systems' trustee travel.

## **ADJOURNMENT**

**Motion #4:** Chairman Ross moved to adjourn the meeting at 1:40 p.m. The motion was seconded by Mr. Suter. The motion was approved 9-0 by a voice vote.

### **DISTRICT OF COLUMBIA RETIREMENT BOARD RECORD OF OFFICIAL BOARD ACTION**

<b>MOTION #1</b>		<b>DATE: OCTOBER 21, 2010</b>			
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.					√
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>MOTION #2</b>			DATE: OCTOBER 21, 2010		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.					√
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>MOTION #3</b>			DATE: OCTOBER 21, 2010		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.					√
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>MOTION #4</b>			DATE: OCTOBER 21, 2010		
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<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.					√
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				